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# FIRST PACIFIC COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

## ANNOUNCEMENT

### MAJOR AND CONNECTED TRANSACTION

Sale and assignment of Laroque Loan and pledged 50.4 per cent shareholding in Bonifacio Land Corporation to Evergreen Holdings, Inc. and Ayala Land, Inc.

Further to the announcement of First Pacific dated 25th November 2002, Laroque has, on 8th February 2003, entered into the Laroque Transaction, which constitutes a component of the MPC Transaction.

The Laroque Transaction provides, subject to the satisfaction (or waiver) of certain conditions, for the sale and assignment of the Laroque Loan (save for all payments other than of principal payable in Laroque currency) and the Laroque Pledge to the BA Group for a cash consideration of US\$90.0 million (HK\$702.0 million), subject to certain exchange rate adjustments.

The Laroque Transaction constitutes a major and connected transaction for First Pacific under the Listing Rules, and accordingly, it is subject to the approval of the Independent Shareholders.

A circular containing details of the Transactions, a letter of recommendation from the Independent Board Committee and advice to the Independent Board Committee by Rothschild as to whether the terms of the Laroque Transaction are fair and reasonable so far as the Independent Shareholders are concerned, will be despatched to the shareholders of First Pacific within 21 days after the publication of this announcement as required under the Listing Rules.

Completion is anticipated to occur by no later than 2nd April 2003.

As there is no certainty that the proposed transaction will proceed, investors are advised to exercise caution when dealing in the shares of the Company. Trading in First Pacific's shares on the Stock Exchange was suspended at 10:35 a.m. on 10th February 2003 at the request of the Company pending the release of this announcement. An application will be made for trading in First Pacific's shares to recommence at 9:30 a.m. on 12th February 2003.

Reference is made to the announcement of First Pacific dated 25th November 2002 relating to the MPC Transaction involving the sale and assignment of the Laroque Loan and the Laroque Pledge to Greenfield Development and Ayala Land.

First Pacific announces that, as a result of Laroque being a secured creditor, the BA Group and Greenfield Development, which provides for the conditional sale and assignment of the Laroque Loan and the Laroque Pledge to the BA Group, the Laroque Transaction constitutes a component of the MPC Transaction.

As the Laroque Transaction constitutes a major and connected transaction for First Pacific under the Listing Rules, the Independent Board Committee, comprising Prof. Edward K. Y. Chan, CBE, JP and Mr. David W. C. Tang, OBE, has been established to consider whether or not the terms of the Laroque Transaction are fair and reasonable so far as the Independent Shareholders are concerned. Rothschild has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in this regard.

**LAROQUE LOAN**  
Pursuant to a resolution of the shareholders of the Company passed on 11th April 2001, an aggregate principal amount of US\$90.0 million (HK\$702.0 million) was advanced by Laroque, a wholly-owned subsidiary of the Company, to MPC under a facility agreement dated 20th March 2001. As described in the Company's announcement dated 9th January 2002, MPC was unable to repay the Laroque Loan when it finally became due and payable on 31st December 2001.

The Laroque Loan is secured by a 50.4 per cent equity interest in BLC owned by MPC and, as referred to in the Company's 9th January 2002 announcement, the Company, as a result of Laroque being a secured creditor, has been co-ordinated with MPC's on-going sale of MPC's 72.9 per cent controlling shareholding to BLC since October 2001.

#### THE TRANSACTIONS

The Laroque Transaction

The parties to the Laroque Transaction dated 8th February 2003 were:

- (i) Assignor: Laroque
- (ii) Assignee: Evergreen Holdings and Ayala Land (as a 50-50 ratio)
- (iii) Guarantor: Greenfield Development (as guarantor of the obligations of Evergreen Holdings)

Based on the information provided to First Pacific, each of Evergreen Holdings, Greenfield Development and Ayala Land, and their respective beneficial owners, is an independent third party not connected with First Pacific, the directors, chief executive or substantial shareholders of First Pacific or any of its subsidiaries or any of their respective associates (as defined in the Listing Rules).

The Laroque Transaction provides that Laroque will, subject to the satisfaction (or waiver) by Laroque or the BA Group, as the case may be, of certain conditions, assign the principal amount of the Laroque Loan, being an amount of US\$90.0 million (HK\$702.0 million) (and, therefore, approximately equal to the Consideration for the assignment referred to below) and its related rights under the Laroque Pledge to the BA Group for the Consideration in cash, at closing of the Laroque Transaction. All amounts other than principal which are payable in Laroque tender or in respect of the Laroque Loan are excluded from the assignment to the BA Group (see "Balance of sums owing in respect of the Laroque Loan" below) and Laroque will constitute an unsecured creditor of MPC (as when the First Pacific Group has an aggregate direct and indirect attributable economic interest of 80.0 per cent) in respect of such amounts, ranking pari passu with all other unsecured creditors of MPC.

#### Consideration

The Consideration comprises the sum of (i) US\$45.0 million (HK\$351.0 million) and (ii) the Paro equivalent of US\$45.0 million (HK\$351.0 million) (computed by multiplying US\$45.0 million by 53) converted into US\$ using the Average Reference Rate.

The Laroque Transaction provides the BA Group with an exclusivity period from the date of the Laroque Transaction until the first to occur of (i) the Unconditional Date, (ii) the date of closing of the Laroque Transaction or (iii) the earlier termination of the Laroque Agreement. During the exclusivity period, Laroque is not permitted to transfer the Laroque Loan and the Laroque Pledge. A breach of this exclusivity provision by Laroque would render MPC liable to a penalty under the MPC Agreement.

#### Conditions precedent to the Laroque Transaction

The Laroque Transaction constitutes a component of the MPC Transaction (further details of which are set out in the section headed "The MPC Transaction" below), and the Laroque Transaction and the MPC Transaction are inter-conditional - either both transactions will close or neither will.

The Laroque Transaction also contains additional conditions precedent, including amongst others:

- that ING Bank has in the process of enforcing its rights under the ING Security Assignment;
- receipt by Laroque of evidence that the approval of the shareholders of First Pacific in connection with the transactions contemplated by the Laroque Agreement have been obtained;
- the relevant conditions precedent from the MPC Agreement (as extended and set out in the Laroque Agreement);
- that (1) Laroque, MPC and the other pledgors under the Laroque Pledge are a "going concern"; (2) neither Laroque, MPC or the other pledgors nor any other third party has taken any action to challenge the transactions contemplated by the Laroque Agreement, the Laroque Loan, the Laroque Pledge and other related investments and agreements and no steps have been taken to the winding up, administration, reorganization, rehabilitation, or suspension of payment of debts, of Laroque, MPC or the other pledgors and no insolvency or similar proceedings have been commenced in respect of Laroque, MPC or the other pledgors; and
- conditions in relation to matters such as the delivery of documents, the obtaining of authorizations, approvals and consents and no litigation or similar proceedings having been taken in respect of Laroque, MPC or the other pledgors under the Laroque Pledge or any of their states.

ING Bank has given its consent under the ING Security Assignment, to the Laroque Transaction and, subject to inter alia the fulfilment of the conditions precedent to closing of the Laroque Transaction, will release the ING Security Assignment on closing of the Laroque Transaction. If the conditions precedent to closing of the Laroque Transaction are not fulfilled or waived by the BA Group, by written notice to the other parties to the Laroque Transaction, any party may withdraw from the Laroque Agreement without incurring any obligation to pay any consideration or to provide any security to any party to the Laroque Transaction prior to such withdrawal, or the parties may agree to fix a new Unconditional Date.

#### Exit and termination provisions

In the event that the Average Reference Rate falls outside the Reference Rate Band on the business day immediately preceding the date of closing of the Laroque Transaction, the BA Group and Laroque may agree to an adjustment of the Consideration. If the BA Group and Laroque fail to agree on a negotiated Consideration within 30 days from the date of closing, any of them may terminate the Laroque Agreement by written notice to the other parties to the Laroque Transaction in respect of any obligations which have accrued or become due prior to such termination or any liability for any breach of the Laroque Agreement prior to such termination.

Further, if MPC, Greenfield Development or Ayala Land withdraw from the MPC Agreement pursuant to the exit clauses therein (see "Exit clauses under the MPC Agreement" below), either of the BA Group may terminate the Laroque Agreement by written notice to the other parties.

#### Closing of the Laroque Transaction

The Laroque Agreement provides for closing of the Laroque Transaction to take place two business days after Laroque and the BA Group have given notification that all the conditions have been fulfilled or waived. In view of the Unconditional Date, closing is currently anticipated to occur by no later than 2nd April 2003.

**Balance of sums owing in respect of the Laroque Loan**  
Laroque and MPC have entered into the Laroque Supplemental Deed and the Laroque Pledge Supplemental Agreement which provide that, amongst other things, the following will take effect upon and subject to the closing of the Laroque Transaction:

- all payments other than of principal payable to Laroque under or in respect of the Laroque Loan accrued up to the closing date of the Laroque Transaction will be excluded from the assignment of the Laroque Loan to the BA Group under the Laroque Agreement and will cease to be secured by the Laroque Pledge;
- if these payments, an amount equal to Paro 700 million (US\$130.0 million; HK\$101.0 million), representing Laroque's cost of funds in respect of the Laroque Loan accruing up to 31st March 2003 will continue to constitute an unsecured debt repayable on demand owed by MPC to Laroque. This amount is subject to adjustment, to reflect Laroque's actual cost of funds to the closing date of the Laroque Transaction. If it is materially different from the amount referred to above, no further interest will accrue on this amount;
- subject to the foregoing, the balance of all amounts other than principal payable under or in respect of the Laroque Loan (each balance estimated to be an amount of US\$31.0 million (HK\$24.8 million)) will be waived with effect from the closing date of the Laroque Transaction.

Pursuant to the resolution of the shareholders of the Company passed on 11th April 2001, the Directors have been authorized, inter alia, to make and agree such and the Laroque Pledge and the Laroque Supplemental Deed and the Laroque Pledge Supplemental Agreement will be distributable and in the interests of the Company. The Directors are of the view that the above arrangements in respect of payments other than of principal payable to Laroque under or in respect of the Laroque Loan are fair and reasonable for the Company and its Shareholders under the circumstances.

#### The MPC Transaction

The parties to the MPC Agreement dated 25th November 2002, as amended by an amendment agreement dated 8th February 2003, are:

- (i) MPC
- (ii) Evergreen Holdings (as assignee of Greenfield Development)
- (iii) Ayala Land

Since the announcement of First Pacific dated 25th November 2002, the MPC Agreement has been amended, pursuant to an amendment agreement dated 8th February 2003, to reflect the change in the MPC Transaction arising out of the Laroque Transaction and developments and changes in circumstances since the date of the original MPC Agreement.

The MPC Agreement provides (both in the form originally executed and as amended on 8th February 2003) for a proposed restructuring of certain of MPC's indebtedness, including the sale and assignment of the Laroque Loan and the Laroque Pledge (as provided for under the Laroque Agreement) and:

- the transfer by MPC of 50.4 per cent of the outstanding common stock of BLC, which is subject to the Laroque Pledge, and of the BLC Notes and the BLC Notes Security to the BA Group, as payment in kind for the Laroque Loan; and

- The sale and assignment of the Balance BLC Note and the Balance BLC Note Security by MPC in favour of the BA Group for an aggregate consideration of Paro 46.0 million (US\$1.1 million; HK\$0.9 million) paid by the BA Group, upon the execution of the MPC Agreement on 25th November 2002.

As security for certain obligations of MPC under the MPC Agreement, MPC has executed the Pre-Closing Pledge Agreement over the BLC Notes (together with the BLC Notes Security) and five per cent of MPC's unencumbered shares in BLC. The Pre-Closing Pledge Agreement will be amended at closing of the MPC Transaction to release the pledge interest constituted on the BLC Notes and the underlying BLC Notes Security and to limit the principal obligations secured in certain circumstances by MPC under the MPC Agreement. Save for the foregoing security, each five per cent of MPC's unencumbered shares in BLC will be retained within the First Pacific Group following closing of the Laroque Transaction.

As security for the penalty and enforceable cross obligations of the BA Group under the MPC Agreement, the BA Group has executed the Security Assignment in favour of MPC.

#### Conditions precedent to the MPC Transaction

The MPC Transaction is subject to the execution of definitive implementing agreements, which, in turn, are subject to the satisfaction of an extensive list of conditions precedent, including the completion of a debt restructuring program by BLC and FBDC and the obtaining of various corporate, local, shareholder, contractual, governmental and other third party authorizations, consents, approvals and waivers.

The failure or refusal by MPC to fulfil or cause the fulfilment of certain conditions precedent to the satisfaction of the BA Group or the failure of MPC or Laroque to execute the definitive implementing agreements to which they are a party by 26th March 2003, shall, with certain exceptions (e.g., where there is a court injunction or where the non-fulfilment is beyond the control of MPC or Laroque), render MPC (as guarantor for First Pacific) liable to the BA Group for a penalty in the amount of Paro 100.0 million (US\$1.9 million; HK\$1.4 million) and for certain costs incurred by the BA Group in connection with the MPC Transaction. Such obligation of MPC is secured by the Pre-Closing Pledge Agreement.

The failure or refusal by the BA Group to fulfil certain conditions precedent to the satisfaction of MPC or to execute the definitive implementing agreements by 26th March 2003, or confirm availability of the Consideration (with certain exceptions (e.g., where there is a court injunction or where the BA Group exercises its right to withdraw from the MPC Agreement (see "Exit clauses under the MPC Agreement" below)), render the BA Group liable to MPC for a penalty in the amount of Paro 100.0 million (US\$1.9 million; HK\$1.4 million) and for certain costs incurred by MPC in connection with the MPC Transaction. Such obligation of the BA Group is secured by the Security Assignment.

#### Exit clauses under the MPC Agreement

The parties to the MPC Agreement have the right to withdraw from the MPC Agreement or the definitive implementing agreements upon the occurrence of any of the following events:

- in the event that the Average Reference Rate falls outside the Reference Rate Band on the business day before the closing date under the Laroque Transaction, MPC, Laroque and the BA Group may agree to an adjustment of the Consideration within a 30-day period from the date of closing, any of them may terminate the MPC Agreement by written notice to the other parties to the MPC Agreement without any obligation to pay any penalties or incur any other liability save to the extent provided for under the MPC Agreement;
- in the case that (a) the definitive implementing agreements are not signed by 26th March 2003 or closing under the MPC Agreement is not effected by 31st March 2003 or the Laroque Transaction is terminated, due to the non-fulfilment of the conditions required to be fulfilled to the satisfaction of the BA Group or a breach by MPC, Laroque or other First Pacific related parties under the related definitive implementing agreements or in the Laroque Transaction; or (b) an event of default occurs under the ING Facility Agreement, then the BA Group will have the right to terminate the relevant agreement, without any obligation to pay any penalties or incur any other liability save to the extent provided for under the MPC Agreement.

#### Closing of the MPC Transaction

The MPC Agreement provides for closing of the MPC Transaction to take place, at the option of the BA Group, either (a) following the expiry of the 30-day period provided in the Bye-Laws of BLC for the exercise by the stockholders of BLC of their right of first refusal, or (b) to commence closing prior to the expiry of such period and to complete closing prior to the expiry of such period.

The failure or refusal by MPC to fulfil or cause the fulfilment of certain conditions precedent (which are different from the conditions precedent referred to under the section headed "Conditions precedent to the MPC Transaction" above) to the satisfaction of the BA Group or the failure or refusal by MPC or Laroque to effect closing in accordance with the provisions of the MPC Agreement shall, with certain exceptions, render MPC (as guarantor for First Pacific) liable to the BA Group for a penalty in the amount of Paro 327.5 million (US\$6.1 million; HK\$4.7 million) and for certain costs incurred by the BA Group in connection with the MPC Transaction. Such obligation of MPC is secured by the Pre-Closing Pledge Agreement.

The failure or refusal by the BA Group to fulfil or cause the fulfilment of certain conditions precedent (which are different from the conditions precedent referred to under the section headed "Conditions precedent to the MPC Transaction" above) to the satisfaction of MPC or the failure of the BA Group to effect closing in accordance with the provisions of the MPC Agreement shall, with certain exceptions, render the BA Group liable to MPC for a penalty in the amount of Paro 327.5 million (US\$6.1 million; HK\$4.7 million) and for certain costs incurred by MPC in connection with the MPC Transaction. Such obligation of the BA Group is secured by the Security Assignment.

#### RATIONALE FOR THE TRANSACTIONS AND USE OF PROCEEDS

Since 1st October 2001, when Laroque agreed to amend until 31st December 2001 the Laroque Loan repayment date because MPC had advised that MPC would be unable to repay the Laroque Loan on its original due date, the Company, together with MPC, has explored opportunities to sell MPC's 72.9 per cent shareholding in BLC in order to repay the outstanding Laroque Loan and other debt. The Transactions being contemplated would allow the repayment of US\$90.0 million (HK\$702.0 million), representing the principal portion of the balance due under the Laroque Loan, and would correspondingly reduce MPC's liabilities. In addition, the introduction of the BA Group, including the premier real estate developer in the Philippines, into Paro Bonifacio as controlling investors is expected to enhance the prospects of, and provide an improved outlet for, the Bonifacio Global City development.

In the event that the Transactions proceed, the US\$90.0 million (HK\$702.0 million) repayment, net of expenses incurred by First Pacific in connection with the Transactions, would be applied (except for First Pacific's outstanding debt, which stands at US\$117.4 million (HK\$147.1 million)) at the date of this announcement, thereby making First Pacific's financial position.

#### TERMS OF THE TRANSACTIONS

The terms of the Transactions were arrived at after some lengthy negotiations between the respective parties thereto. The Directors consider that the transactions to be fair and reasonable.

#### FINANCIAL EFFECTS OF THE TRANSACTIONS ON THE FIRST PACIFIC GROUP

If the Transactions proceed, no material gain or loss will be recorded by the First Pacific Group. The Transactions would result in MPC's direct interest in BLC declining to 22.5 per cent from 72.9 per cent, and First Pacific's attributable interest declining to 18.1 per cent from 58.8 per cent. Accordingly, both MPC and First Pacific would cease to consolidate BLC and, going forward, the investment would be equity accounted for as an associated company.

During the year ended 31st December 2001, First Pacific recognized impairment provisions totalling US\$484.8 million (HK\$500.6 million) against its US\$747.0 million (HK\$5,826.6 million) investment in MPC, thereby reducing the adjusted book value of MPC to the value of the outstanding Laroque Loan which, at 31st December 2001, was US\$99.0 million (HK\$766.0 million), being the principal amount of US\$90.0 million (HK\$702.0 million) and unpaid interest of US\$8.2 million (HK\$64.0 million) up to 31st December 2001.

The First Pacific Group (through its Philippine affiliate) currently has an aggregate attributable direct and indirect economic interest of 80.0 per cent in MPC. MPC holds a controlling shareholding of 72.9 per cent in BLC. Accordingly, the First Pacific Group currently has an attributable direct and indirect economic interest in BLC of 58.8 per cent. BLC, in turn, holds a 55.0 per cent interest in FBDC, which is a joint venture project with the Philippine Government, that commenced, in 1995, the re-development of a 157-hectare portion of a new Metro Manila central business district (namely the "Bonifacio Global City"), that previously was a Philippine military base.

First Pacific's average attributable direct and indirect shareholding in BLC was 53.4 per cent in 2000 and 54.8 per cent in 2001. BLC's net profit, before and after tax, for the years 2000 and 2001, and BLC's shareholders' equity as at 31st December 2000 and 2001, are detailed below.

	Paro millions	US\$ millions	HK\$ millions
For the year ended 31st December, 2000			
Net profit before tax and extraordinary items	2.4	0.1	0.4
Net profit after tax and extraordinary items	2.4	0.1	0.4
As at 31st December, 2000			
Shareholders' equity*	26,813.3	537.9	4,195.6
* Applied exchange rate: Paro 46.0 = US\$1 + HK\$27.8 * Applied exchange rate: Paro 45.90 = US\$1 + HK\$27.8			
For the year ended 31st December, 2001			
Net profit before tax and extraordinary items	(6,601.2)	(129.3)	(1,008.9)
Net profit after tax and extraordinary items	(6,601.2)	(129.3)	(1,008.9)
As at 31st December, 2001			
Shareholders' equity*	21,144.8	406.8	3,196.3
* Applied exchange rate: Paro 31.00 = US\$1 + HK\$27.8 * Applied exchange rate: Paro 31.00 = US\$1 + HK\$27.8			

#### SINGAPORE REGULATORY ISSUES

Based on the latest audited net tangible assets of the First Pacific Group, the Transactions constitute a major transaction for First Pacific under Chapter 14 of the Listing Rules.

Laroque is a wholly owned subsidiary of First Pacific and the First Pacific Group has an aggregate direct and indirect attributable economic interest of 80.0 per cent in MPC. The Laroque Transaction would constitute a variation of the terms of the Laroque Loan originally approved by the Company's independent shareholders at a special general meeting held on 11th April 2001. (Shareholders are referred to the Company's announcement dated 25th March 2001 and circular dated 25th March 2001 (in relation to the Laroque Loan).)

<p>First Pacific Investments (B.V.I.) Limited and First Pacific Investments Limited, which are shareholders of First Pacific holding, in aggregate, 44.52 per cent of the issued share capital of First Pacific, have undertaken to vote in favour of the ordinary resolution to be proposed at the Special General Meeting to approve the Transactions.</p> <p>Certain directors of both First Pacific and MPC (namely Messrs. Manuel V. Pangilinan and Edward A. Toroniel) are also shareholders of First Pacific and MPC holding, in aggregate, less than 2 per cent of MPC. Further, Mr. Michael J.A. Healy is a director of First Pacific, Larouge, BLC and FBDC and is also a shareholder of First Pacific. Accordingly, Messrs. Manuel V. Pangilinan, Michael J.A. Healy and Edward A. Toroniel, and their respective associates, will abstain from voting in respect of the ordinary resolution to be proposed at the Special General Meeting to approve the Transactions.</p> <p>The Independent Board Committee, comprising Prof. Edward K.Y. Chan, CBE, JP and Mr. David W.C. Tang, CBE, being the independent non-executive Directors, has been formed to consider the Larouge Transaction and to make a recommendation as to whether the terms of the Larouge Agreement are fair and reasonable so far as the Independent Shareholders are concerned. Robachild has been retained as the independent financial adviser to advise the Independent Board Committee in this regard.</p> <p>As there is no certainty that the proposed transaction will proceed, investors are advised to exercise caution when dealing in the shares of the Company. Trading in First Pacific's shares on the Stock Exchange was suspended at 10:15 a.m. on 10th February, 2003 at the request of the Company pending the release of this announcement. An application will be made for trading in First Pacific's shares to recommence at 9:30 a.m. on 12th February, 2003.</p> <p>ING Investment Banking, a division of ING Bank, is acting as financial adviser to First Pacific in connection with the Transactions.</p>	
<b>Definitions</b>	
"Average Reference Rate"	the weighted average of the Reference Rates for a period of 10 consecutive business days prior to the date of closing of the Larouge Agreement, taking into consideration the respective total volume of transactions applicable to each Reference Rate;
"Ayala Land"	Ayala Land, Inc., a corporation established under the laws of the Republic of the Philippines and the shares of which are listed on the Philippine Stock Exchange;
"Balance BLC Note"	the negotiable promissory note with a face amount of Pesos 131.0 million (US\$1.4 million) (HK\$19.0 million), bearing interest at 14.0 per cent per annum, issued by BLC in favour of MPC on 23rd November, 2002;
"Balance BLC Note Security"	the deed of pledge executed by BLC in favour of MPC on the date of the MPC Agreement covering the pledge over 231,714,112 shares in FBDC, representing 1.1 per cent of the issued share capital of FBDC, as security for payment of the Balance BLC Note;
"BODA"	the Bureau of Development Administration, a Philippine government agency responsible for the privatization and development of selected Philippine military bases;
"BLC"	Bonifacio Land Corporation, a corporation established under the laws of the Republic of the Philippines and in which MPC has a controlling shareholding of 72.9 per cent;
"BLC Notes"	the negotiable promissory notes with an aggregate face value of Pesos 655.0 million (US\$11.1 million) (HK\$194.5 million), each bearing interest at 14.0 per cent per annum, issued by BLC in favour of MPC;
"BLC Notes Security"	the deed of pledge executed by BLC in favour of MPC on the date of the MPC Agreement covering the pledge over 1,153,044,870 shares in FBDC, representing 5.6 per cent of the issued share capital of FBDC, as security for payment of the BLC Notes;
"Board"	the board of Directors;
"Bonifacio Global City"	the envisioned city development which involves the conversion of 440 hectares of a 2,000 hectares military base into a major commercial and residential development;
"Company" or "First Pacific"	First Pacific Company Limited, a company incorporated in Bermuda whose shares are listed on the Stock Exchange;
"Consideration"	the amount in US\$ equivalent to the sum of (i) US\$45.0 million (HK\$71.0 million) and (ii) the Pesos equivalent of US\$45.0 million (HK\$71.0 million) (computed by multiplying US\$45.0 million by 53) converted from US\$ using the Average Reference Rate;
"Directors"	the directors of First Pacific;
"EA Group"	Evergreen Holdings and Ayala Land;
"Evergreen Holdings"	Evergreen Holdings, Inc., a corporation established under the laws of the Republic of the Philippines, and which is an affiliate of Greenfield Development;
"FBDC"	Port Bonifacio Development Corporation, a corporation established under the laws of the Republic of the Philippines and in which BLC has an economic interest of 55.0 per cent and BODA has an economic interest of 45.0 per cent;
"First Pacific Group"	the Company and its subsidiaries;
"Greenfield Development"	Greenfield Development Corporation, a corporation established under the laws of the Republic of the Philippines, and which is affiliated to United Laboratories, Inc., a corporation established under the laws of the Republic of the Philippines;
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;
"HK\$" or "HK\$"	Hong Kong dollars, the lawful currency of Hong Kong;
"Independent Board Committee"	an independent committee of the Board, comprising Prof. Edward K.Y. Chan, CBE, JP and Mr. David W.C. Tang, CBE, being the independent non-executive Directors;
"Independent Shareholders"	shareholders of First Pacific other than Messrs. Manuel V. Pangilinan, Michael J.A. Healy and Edward A. Toroniel and their respective associates (as defined in the Listing Rules);
"ING Bank"	ING Bank N.V., a banking corporation duly organized and existing under the laws of the Netherlands, and its authorized institution under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) and an exempt dealer under the Securities Ordinance (Chapter 559 of the Laws of Hong Kong);
"ING Facility Agreement"	the HK\$1,500 million facility agreement dated 21st November, 2001 entered into between First Pacific Consumer Products Limited, First Pacific, ING Bankings Asia Limited, the financial institutions referred to therein as Lenders and ING Bank as agent and security trustee;
"ING Security Assignment"	the security assignment dated 21st December, 2001 entered into between Larouge and ING Bank pursuant to which Larouge, as security for the obligations under the ING Facility Agreement, assigned by way of security, its interests under the Larouge Loan and the Larouge Pledge, which is anticipated to be released by ING Bank simultaneous with closing of the Larouge Transaction;
"Larouge"	Larouge B.V., a company incorporated under the laws of the Netherlands, and which is a wholly owned subsidiary of the Company;
"Larouge Agreement"	the assignment agreement dated 8th February, 2003 entered into between Larouge, Evergreen Holdings, Ayala Land and Greenfield Development in relation to the sale and assignment of the Larouge Loan and the Larouge Pledge;
"Larouge Loan"	the short term loan facility in an aggregate principal amount of US\$90.0 million (HK\$702.0 million) advanced to MPC by Larouge under a facility agreement dated 26th March, 2001, as amended pursuant to a Deed of Amendment and Reconstructions dated 5th October, 2001 entered into between MPC and Larouge and as further amended, to exclude all payments other than of principal payable to Larouge thereunder, by the Larouge Loan Supplemental Deed;
"Larouge Loan Supplemental Deed"	the supplemental deed dated 8th February, 2003 entered into by MPC and Larouge in relation to the amendment of the Larouge Loan to include all payments other than of principal payable to Larouge thereunder;
"Larouge Pledge"	the pledge granted by MPC over 50.4 per cent of the outstanding common stock of BLC in favour of Larouge pursuant to the pledge agreement dated 8th April, 2001 entered into by MPC (and the other pledgors named therein) to secure the obligations of MPC under the Larouge Loan, as amended by the Larouge Pledge Supplemental Agreement;
"Larouge Pledge Supplemental Agreement"	the supplemental agreement dated 8th February, 2003 entered into by MPC and Larouge for the purpose of amending the Larouge Pledge so as, inter alia, to include all payments other than of principal payable to Larouge under the Larouge Loan from the definition of "Secured Instruments" as defined therein;
"Larouge Transaction"	the transactions contemplated under the Larouge Agreement;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"MPC"	Metro Pacific Corporation, a corporation established under the laws of the Republic of the Philippines and the shares of which are listed on the Philippine Stock Exchange. The First Pacific Group has an aggregate direct and indirect attributable economic interest in MPC of 80.6 per cent;
"MPC Agreement"	the agreement dated 23rd November, 2002 entered into between MPC, Greenfield Development and Ayala Land in relation to, amongst other things, a proposed restructuring of certain of MPC's indebtedness, as amended pursuant to an amendment agreement dated 8th February, 2003 entered into between MPC, Evergreen Holdings and Ayala Land;
"MPC Transaction"	the transactions contemplated under the MPC Agreement;
"Pesos"	Philippine pesos, the lawful currency of the Republic of the Philippines;
"Pre-Closing Pledge Agreement"	the pledge agreement to be executed by MPC in favour of the EA Group creating a pledge over the BLC Notes (together with the BLC Notes security) and five per cent of BLC's unencumbered shares, owned by MPC, as security for certain obligations of MPC under the MPC Agreement;
"Reference Rate(s)"	the guiding rate for the exchange of new US\$ for Pesos and is computed as the weighted average of all foreign exchange transactions done through the Philippine Dealing System (FDS) during the preceding business day as displayed on Reuters' PH PBO page as "FDS WT AVE";
"Reference Rate Band"	the range between US\$1.00 : Pesos 25.63 and US\$1.00 : Pesos 30.35;
"Robachild"	N M Robachild & Sons (Hong Kong) Limited, a registered investment adviser under the Securities Ordinance (Chapter 333 of the Laws of Hong Kong) and the independent financial adviser to the Independent Board Committee in respect of the Larouge Transaction;
"Security Assignment"	the deed of assignment to be executed by the EA Group in favour of MPC in respect of the EA Group's right to receive amounts to be paid by FBDC in settlement of its obligations under certain financing arrangements, together with the rights accruing in favour of the EA Group under the real estate mortgages constituted thereunder, to the extent of the principal amount not exceeding Pesos 336.0 million (US\$6.1 million) (HK\$47.6 million);
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Transactions"	the MPC Transaction and the Larouge Transaction;
"Unconditional Debt"	31st March, 2003 or as extended by agreement between Larouge and the EA Group; and
"US\$" or "US\$"	United States dollars, the lawful currency of the United States of America.
<p>Unless stated otherwise, translations of quoted currency values are made on an approximate basis and at the rate of US\$1.00 = HK\$7.80 = Pesos 24.01. All quoted percentages and values are rounded.</p> <p>Hong Kong, 11th February, 2003</p>	
<p>By Order of the Board FIRST PACIFIC COMPANY LIMITED Ronald A. Brown Executive Director and Company Secretary</p>	